Division of Health Care Finance & Administration

Health Care Innovation Initiative

Executive Summary

Chronic Obstructive Pulmonary Disease (COPD) Acute Exacerbation Episode

Corresponds to DBR and Configuration file V2.1

Updated January 11, 2016

OVERVIEW OF A COPD ACUTE EXACERBATION EPISODE

The chronic obstructive pulmonary disease (COPD) acute exacerbation episode revolves around individuals with COPD who are treated at a health care facility for an acute exacerbation of their chronic illness. This episode is triggered by an emergency department (ED) visit, observation stay, and/or an inpatient stay during which the acute symptoms of the COPD exacerbation, such as difficulty breathing, coughing, and shortness of breath are treated. Following discharge from the hospital, the patient undergoes follow-up care which may include visits by a nurse, patient monitoring, pulmonary rehabilitation, and certain medications. All related care – such as imaging and testing, evaluation and management, and medications – is included in the episode. The quarterback, also called the principal accountable provider or PAP, is the facility where the ED visit, observation stay and/or inpatient admission took place. The complete COPD acute exacerbation episode begins with the ED or inpatient admission and ends 30 days after the patient is discharged.

CAPTURING SOURCES OF VALUE

Providers have multiple opportunities during a COPD acute exacerbation to improve the quality and cost of care. For example, a provider may be able to prevent an avoidable inpatient admission from the ED or ensure an appropriate length of stay in the case of an inpatient admission. Providers play a pivotal role in administering and prescribing appropriate medications for the patient throughout the episode, assuring that necessary patient/family education and discharge instructions are provided and ordering and facilitating required follow-up care. These practices reduce the likelihood of repeat acute exacerbations and contribute to the delivery of high quality, cost effective care.

To learn more about the episode's design, please reference the following documents on our website at www.tn.gov/hcfa/topic/episodes-of-care:

- *Detailed Business Requirements: Complete technical description of the episode*
  http://www.tn.gov/assets/entities/hcfa/attachments/COPD2.pdf

- *Configuration File: Complete list of codes used to implement the episode*
  http://www.tn.gov/assets/entities/hcfa/attachments/COPD2.xlsx

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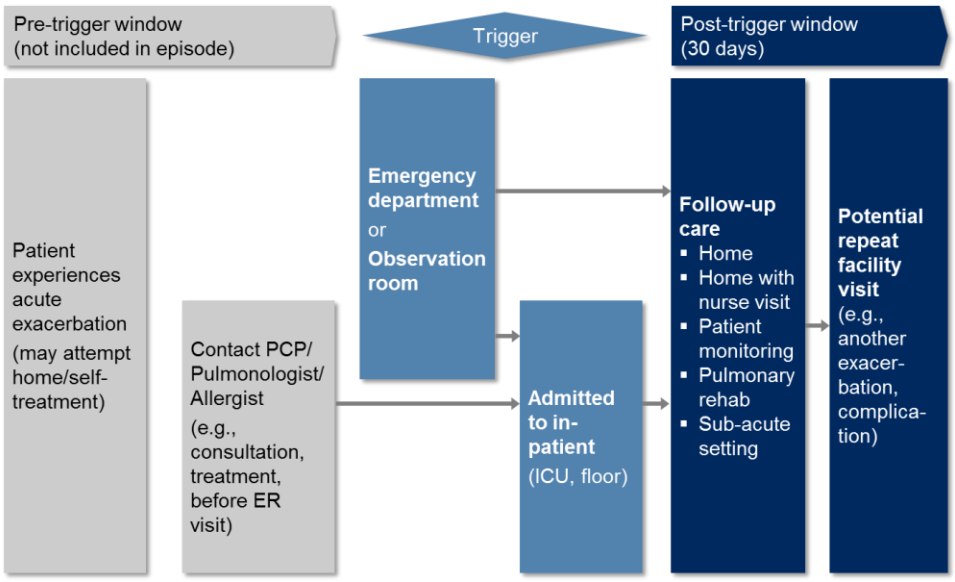
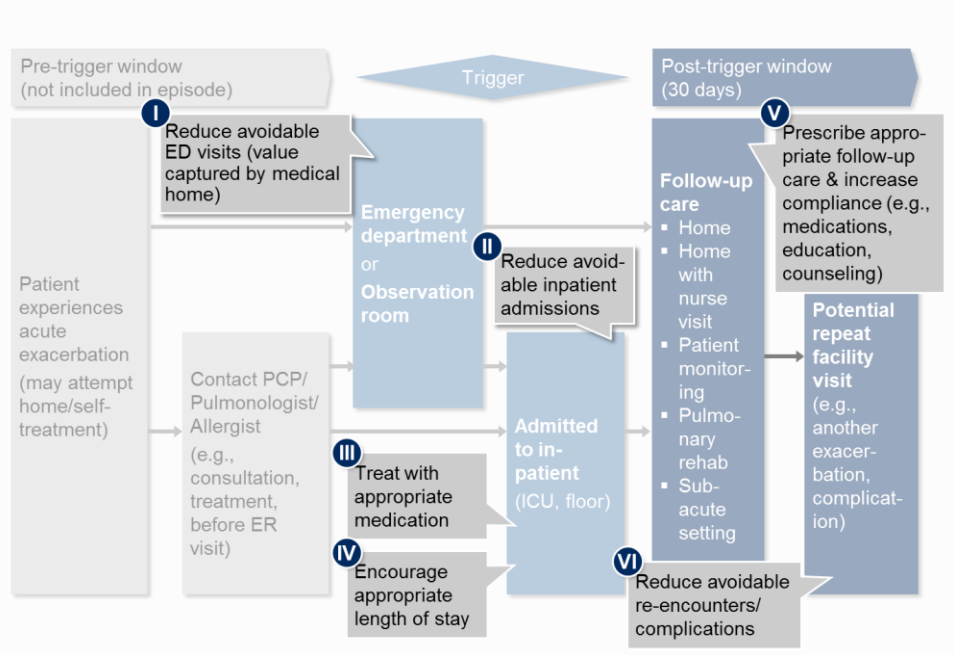
Illustrative Patient Journey



Potential Sources of Value



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ASSIGNING ACCOUNTABILITY

The quarterback of the episode is the specific health care provider deemed to have the greatest accountability for the quality and cost of care for the patient. To state it differently, the quarterback is the provider who has the greatest ability to influence all of the health care delivered in a given episode. For the COPD acute exacerbation episode, the quarterback is the facility where the ED visit, observation stay, and/or inpatient admission took place. The tax ID of the billing provider (or group) of the associated facility claim will be used to identify the quarterback. All quarterbacks will receive reports according to their contracting entity or tax identification number.

MAKING FAIR COMPARISONS

The episode model is designed to be fair to providers and incentivize best practices without penalizing providers who care for sicker patients. As such, important aspects of the model are:

- Inclusion of only the cost of services and medications that are related to the COPD acute exacerbation in calculation of episode spend.
- Exclusion of episodes when clinical circumstances create the likelihood that the case will deviate substantially from the typical care path or when claims data is likely to be incomplete.
- Risk adjusting episode spend to account for the cost of more complicated patients.

During the trigger window, all services and medications are included in the episode. In the post trigger window, included services are limited to related services and medications, including related labs, DME, follow up visits, or rehabilitation CPT and ICD-9/ICD-10 code. Care for complications in the facility is limited to related admissions based on the CMS Bundled Payments for Care Improvement (BPCI) Initiative readmission list. Related medications are also included based on HIC3 code.

Some exclusions apply to any type of episode, i.e., are not specific to a COPD acute exacerbation. For example, an episode would be excluded if more than one payer was involved in a single episode of care, if the patient was not continuously insured by the payer during the duration of the episode, or if the patient had a discharge status of ‘left against medical advice’. Other examples of exclusion criteria specific to the COPD acute exacerbation episode include a patient who was intubated during the episode or lung cancer. These patients have significantly different clinical

courses that cannot be risk adjusted. Furthermore, there may be some factors with a low prevalence or significance that would make accurate risk adjustment difficult and may be used to exclude patients completely instead of adjusting their costs.

For the purposes of determining a quarterback's cost of each episode of care, the actual reimbursement for the episode will be adjusted to reflect risk factors captured in recent claims data in order to be fair to providers caring for more complicated patients. Over time, a payer may adjust risk factors based on new data. The final risk adjustment methodology decisions will be made at the discretion of the payer after analyzing the data.

MEASURING QUALITY

The episode reimbursement model is designed to reward providers who deliver cost effective care AND who meet certain quality thresholds. A quarterback must meet or exceed all established benchmarks for any quality metric tied to gain sharing in order to be eligible to receive monetary rewards from the episode model. Other quality metrics may be tracked and reported for quality improvement purposes but may not be tied directly to gain sharing.

The quality metric linked to gain sharing for the COPD acute exacerbation episode is:

- **Follow-up care within the post-trigger window:** Percent of valid episodes where the patient receives relevant follow-up care within the post-trigger window (higher rate indicative of better performance).

The quality metrics that will be tracked and reported to providers but that are not tied to gain sharing are:

- **Repeat acute exacerbation within the post-trigger window:** Percent of valid episodes where the patient has a repeat COPD acute exacerbation within the post-trigger window (lower rate indicative of better performance).
- **Inpatient setting of acute exacerbation:** Percent of valid episodes where the acute exacerbation during the trigger window is treated in an inpatient setting (lower rate indicative of better performance).
- **Smoking cessation counseling:** Percent of valid episodes where smoking cessation counseling for the patient and/or family was offered (where applicable) (higher rate indicative of better performance).

It is important to note that quality metrics are calculated by each payer on a per quarterback basis across all of a quarterback's episodes covered by that payer. Failure to meet all quality benchmarks tied to gain sharing will render a quarterback ineligible for gain sharing with that payer for the performance period under review.